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英皇集團（國際）有限公司*
Emperor International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 163)



英皇證券集團有限公司*
Emperor Capital Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 717)

CONTINUING CONNECTED TRANSACTION

The boards of directors of EIHL and ECG announce that Very Sound and Profit Broad entered into the Tenancy Agreement dated 16 December 2008 in relation to the renewal of tenancy of the Property.

Very Sound is an indirect wholly-owned subsidiary of EIHL. Profit Broad is an indirect wholly-owned subsidiary of ECG. Both EIHL and ECG are companies indirectly owned as to 55.92% and 45.09% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of EIHL and ECG. As such, Very Sound is a connected person of ECG and Profit Broad is a connected person of EIHL under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both EIHL and ECG.

Based on the calculations of the applicable percentage ratios (as defined in the Listing Rules), the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

The boards of directors of EIHL and ECG announce that Very Sound and Profit Broad entered into the Tenancy Agreement dated 16 December 2008 in relation to the renewal of tenancy of the Property.

TENANCY AGREEMENT DATED 16 DECEMBER 2008

Landlord: Very Sound

Tenant: Profit Broad

Property: 24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong with gross floor area of 9,323 sq.ft.

Term:	from 10 December 2008 to 31 March 2011 (both days inclusive)
Rent:	HK\$233,075.00 per month, exclusive of rates, management fees and all other outgoings, payable monthly in advance
Rent free period:	ten weeks from 10 December 2008 to 17 February 2009
Deposit:	HK\$843,187.50 which is equivalent to three months' rent, rate, management fee and any outgoings

AGGREGATE ANNUAL CAPS OF THE TENANCY AGREEMENT AND THE PREVIOUS TENANCY AGREEMENTS

The Aggregate Annual Caps of each of EIHL and ECG for Tenancy Agreement and the applicable Previous Tenancy Agreements based on the total annual rental payable under the Tenancy Agreement and the applicable Previous Tenancy Agreements for each of the years ending 31 March 2009, 2010 and 2011, will be as follows:

(i) EIHL

	2009 <i>HK\$</i>	2010 <i>HK\$</i>	2011 <i>HK\$</i>
Tenancy Agreement	1,568,189 <i>(Note 1)</i>	2,796,900	2,796,900
First Previous Tenancy Agreement	432,000	196,800	–
Third Previous Tenancy Agreement <i>(Note 2)</i>	362,400 <i>(Note 3)</i>	–	–
Aggregate Annual Caps for EIHL	<u>2,362,589</u>	<u>2,993,700</u>	<u>2,796,900</u>

(ii) ECG

	2009 <i>HK\$</i>	2010 <i>HK\$</i>	2011 <i>HK\$</i>
Tenancy Agreement	1,568,189 <i>(Note 1)</i>	2,796,900	2,796,900
First Previous Tenancy Agreement	432,000	196,800	–
Second Previous Tenancy Agreement	1,200,000	1,533,000	1,354,150
Third Previous Tenancy Agreement <i>(Note 2)</i>	362,400 <i>(Note 3)</i>	–	–
Aggregate Annual Caps for ECG	<u>3,562,589</u>	<u>4,526,700</u>	<u>4,151,050</u>

Notes:

1. The sum also includes the rental paid for the period from 1 April 2008 to 9 December 2008 under the expired tenancy agreement (“Expired Tenancy Agreement”) in respect of the Property. The Expired Tenancy Agreement has a two-year term commencing on 10 December 2006 and ending on 9 December 2008. ECG was granted a waiver by the Stock Exchange on 30 March 2007 from strict compliance with the disclosure requirement of the Listing Rules in respect of the Expired Tenancy Agreement.
2. The Third Previous Tenancy Agreement was terminated with effect from 31 July 2008 by mutual agreement of the parties.
3. The amount has taken into account a two months rent free period from 1 April 2008 to 31 May 2008.

REASONS FOR THE TENANCY AGREEMENT

EIHL is an investment holding company and its subsidiaries are principally engaged in property development and investment, and hotel operation. The Property is held by EIHL as investment property for rental income and the Tenancy Agreement is entered into in the ordinary and usual course of business of EIHL.

ECG is an investment holding company and its subsidiaries are principally engaged in providing a wide range of financial services including brokerage services for securities, futures and options, and providing margin and initial public offer financings, placing and underwriting services. The ECG Group also provides corporate finance advisory and wealth management services. The premises under the Tenancy Agreement have been rented to ECG Group as its principal business premises. The current Tenancy Agreement is entered into for renewal of the tenancy of the Property.

The terms of Tenancy Agreement are arrived at after arm's length negotiation and are on normal commercial terms. The rental under the Tenancy Agreement was determined by reference to the prevailing market rent of similar properties in the nearby locations. The directors (including the independent non-executive directors) of each of EIHL and ECG consider that the Tenancy Agreement to be on normal commercial terms, in the normal course of business, fair and reasonable and in the interests of EIHL and ECG and their respective shareholders as a whole.

GENERAL

Very Sound is an indirect wholly-owned subsidiary of EIHL and principally engaged in property investment. Profit Broad is an indirect wholly-owned subsidiary of ECG and principally engaged in the provision of agency services to ECG Group. Both EIHL and ECG are companies indirectly owned as to 55.92% and 45.09% respectively by the AY Trust, a discretionary trust set up by Dr. Albert Yeung, a deemed substantial shareholder of the EIHL and ECG. As such, Very Sound is a connected person of ECG and Profit Broad is a connected person of EIHL under Chapter 14A of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction for both EIHL and ECG.

Based on the calculations of the applicable percentage ratios (as defined in the Listing Rules), the Tenancy Agreement and the Previous Tenancy Agreements (which are aggregated under Rule 14A.25 of the Listing Rules) will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but exempt from the approval of independent shareholders in accordance with Rule 14A.34 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Aggregate Annual Caps”	the maximum amount of rental payable under the Tenancy Agreement and the applicable Previous Tenancy Agreements, based on the total annual rental payable under the Tenancy Agreement and the applicable Previous Tenancy Agreements for each of the years ending 31 March 2009, 2010 and 2011
“AY Trust”	The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Albert Yeung
“ECG”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“ECG Group”	ECG and its subsidiaries
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert

“EIHL”	Emperor International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“First Previous Property”	Office A, 2/F., Tak Fat Building, 50-52 Russell Street, Causeway Bay, Hong Kong
“First Previous Tenancy Agreement”	the tenancy agreement dated 18 September 2007, entered into between Richorse Limited (a wholly-owned subsidiary of EIHL) as landlord and Famous Winner Holdings Limited (a then wholly-owned subsidiary of the ECG) as tenant in respect of the First Previous Property for a term of two years from 15 September 2007 to 14 September 2009 at a rental of HK\$36,000 per month
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Previous Tenancy Agreements”	First Previous Tenancy Agreement, Second Previous Tenancy Agreement and Third Previous Tenancy Agreement, details of which are set out in the announcements of EIHL and ECG both dated 7 May 2008
“Profit Broad”	Profit Broad Development Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of ECG
“Property”	24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong
“Second Previous Property”	Portion of Shop 6, Ground Floor, 1st Floor and canopy adjacent thereto, 2nd Floor with reserved flat roof, one advertising wall of East Ocean Court, 525 Shanghai Street, Kowloon
“Second Previous Tenancy Agreement”	the tenancy agreement dated 23 April 2008, entered into between Emperor Bullion Investments (Asia) Limited (indirectly wholly-owned by The Yeung Family Discretionary Trust) as principal tenant and Emperor Securities Limited (a wholly-owned subsidiary of ECG) as sub-tenant in respect of the Second Previous Property for a term of three years from 1 April 2008 to 30 March 2011 at a rental of HK\$120,000 per month for the first year, HK\$127,750 per month for the second year and HK\$135,415 per month for the third year

“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 16 December 2008 entered into between Very Sound and Profit Broad in relation to the tenancy of the Property
“Third Previous Property”	Basement 11-20, G10 and G11A on the Ground Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong
“Third Previous Tenancy Agreement”	the tenancy agreement dated 23 April 2008, entered into between Very Sound and Emperor Securities Limited in respect of the Third Previous Property for a term of three years from 1 April 2008 to 31 March 2011 at a rental of HK\$181,200 per month
“Very Sound”	Very Sound Investments Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of EIHL
“HK\$”	Hong Kong dollars

By order of the board
Emperor International Holdings Limited
Luk Siu Man, Semon
Chairperson

By order of the board
Emperor Capital Group Limited
Yeung, Daisy
Managing Director

Hong Kong, 16 December 2008

As at the date hereof, the board of directors of EIHL comprised:

Non-executive Director: Ms. Luk Siu Man, Semon (Chairperson)

*Executive Directors: Mr. Wong Chi Fai (Managing Director)
Ms. Fan Man Seung, Vanessa (Managing Director)
Mr. Cheung Ping Keung
Ms. Mok Fung Lin, Ivy*

*Independent Non-executive Directors: Mr. Chan Man Hon, Eric
Mr. Liu Hing Hung
Mr. Law Ka Ming, Michael*

As at the date hereof, the board of directors of ECG comprised:

*Executive Directors: Ms. Daisy Yeung (Managing Director)
Mr. Chan Pak Lam, Tom
Ms. Choi Suk Hing, Louisa*

*Independent Non-executive Directors: Mr. Fung Chi Kin
Mr. Kwok Chi Sun, Vincent
Mr. Cheng Wing Keung, Raymond*

** for identification purposes only*